

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF NEW YORK

In re:

CENTERSTONE LINEN SERVICES, LLC,
ATLAS HEALTH CARE LINEN SERVICES CO., LLC,
ALLIANCE LAUNDRY & TEXTILE SERVICE, LLC,
ALLIANCE LAUNDRY AND TEXTILE SERVICE OF
ATLANTA, LLC, and
ALLIANCE LTS WINCHESTER, LLC
*d/b/a Clarus Linen Systems*¹,

Debtors.

)
)
) Case Nos.
) 18-31754 (main case)
) 18-31753
) 18-31755
) 18-31756
)
) 18-31757
)
) Chapter 11 Cases
) Jointly Administered
)
)

NOTICE OF AUCTION AND SALE HEARING

PLEASE TAKE NOTICE OF THE FOLLOWING:

1. On December 21, 2018, debtor Alliance Laundry & Textile Service, LLC, d/b/a Clarus Linen Systems (“Alliance”) filed the *Motion by Debtor Alliance Laundry & Textile Service, LLC d/b/a Clarus Linen Systems for Orders (A) (i) Authorizing the Sale of Substantially All of Alliance’s Assets, Free and Clear of All Liens, Claims, Interests and Encumbrances, Subject to the Terms of the Asset Purchase Agreement and Subject to Higher and/or Better Offers; (ii) Authorizing and Approving the Form of a Certain Asset Purchase Agreement with Crown Health Care Laundry Services, LLC; and (iii) Authorizing Alliance to Consummate all Transactions Related to the Proposed Sale; (B) Approving Bidding Procedures and Other Related Relief; and (C) Authorizing Alliance to Assume Certain Executory Contracts and Unexpired Leases and Assign Such Contracts and Leases to Purchaser Crown Health Care Laundry Services, LLC* (the “Sale Motion”).²

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are: Centerstone Linen Services, LLC d/b/a Clarus Linen Systems (5594) (“Centerstone”); Atlas Health Care Linen Services Co., LLC d/b/a Clarus Linen Systems (2681) (“Atlas”); Alliance Laundry & Textile Service, LLC d/b/a Clarus Linen Systems (8284) (“Alliance”); Alliance Laundry and Textile Service of Atlanta, LLC d/b/a Clarus Linen Systems (4065) (“Atlanta”); and Alliance LTS Winchester, LLC d/b/a Clarus Linen Systems (0892) (“Winchester”).

² Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Sale Motion and/or the Bidding Procedures Order, as applicable.

2. Alliance is seeking to sell substantially all of its assets (the “Purchased Assets”) to the Successful Bidder or Backup Bidder.³ Approval of the sale of Purchased Assets to either the Successful Bidder or Backup Bidder may result in, among other things, the assumption, assignment and/or transfer by Alliance of certain executory contracts and leases (the “Assigned Contracts”). If you are a party to an Assigned Contract with Alliance, you will receive a separate notice that contains relevant dates and other information that may impact you as a party to an Assigned Contract.

3. On January 15, 2019, the United States Bankruptcy Court for the Northern District of New York (the “Bankruptcy Court”) entered an order approving bidding procedures and granting other relief related to Alliance’s proposed sale (the “Bidding Procedures Order”). The Bidding Procedures approved by the Court are attached as Schedule 1 to the Bidding Procedures Order. Pursuant to the Bidding Procedures Order, if Alliance receives more than one Qualified Bid for the Purchased Assets, an Auction for the Purchased Assets shall take place on **February 7, 2019, at 10:00 a.m. (prevailing Eastern Time)** at the offices of Bond, Schoeneck & King, PLLC, One Lincoln Center, Syracuse, New York. Only parties that have submitted a Qualified Bid in accordance with the Bidding Procedures by no later than **February 4, 2019 at 12:00 p.m. (prevailing Eastern Time)** (the “Bid Deadline”) may participate at the Auction. Any party that wishes to take part in this process and submit a bid for the Purchased Assets must submit its competing bid prior to the Bid Deadline and in accordance with the Bidding Procedures.

4. The Sale Hearing to consider approval of the sale of the Purchased Assets to the Successful Bidder or Backup Bidder, free and clear of all liens, claims and encumbrances, will be held before the Honorable Margaret Cangilos-Ruiz, Chief United States Bankruptcy Judge for the Northern District of New York, or such other judge as may be sitting in her stead in the United States Courthouse, James Hanley Federal Building, 100 South Clinton Street, Syracuse, New York on **February 13, 2019 at 12:00 p.m. (prevailing Eastern Time)**, or at such other time thereafter as counsel may be heard. The Sale Hearing may be adjourned from time to time without further notice to creditors or parties in interest other than by announcement of the adjournment in open court on the date scheduled for the Sale Hearing.

5. Objections, if any, to the sale, or the relief requested in the Sale Motion (other than with respect to the assumption and assignment of the Assigned Contracts which are the subject of a separate notice) must: (a) be in writing; (b) comply with the Bankruptcy Rules and the Local Rules; (c) be filed with the clerk of the Bankruptcy Court for the Northern District of New York, on or before **February 12, 2019**; and (d) be served so as to be received no later than 12:00 p.m. (prevailing Eastern Time) on the same day, upon (i) counsel to Alliance; (ii) the Office of the United States Trustee for the Western District of New York (iii) counsel to Purchaser; (iv) counsel for HSBC Bank USA, National Association; and (v) counsel to any committee(s) appointed in these cases. **UNLESS AN OBJECTION IS TIMELY SERVED AND FILED IN ACCORDANCE WITH THIS NOTICE, IT MAY NOT BE CONSIDERED BY THE**

³ The Sale Motion identifies Crown Health Care Laundry Services, LLC (“Crown”) as the “stalking horse” bidder and attaches a copy of an Asset Purchase Agreement between Alliance and Crown contemplating a sale of the Purchased Assets to Crown.

BANKRUPTCY COURT AND THE BANKRUPTCY COURT MAY GRANT THE RELIEF REQUESTED IN THE SALE MOTION WITHOUT FURTHER HEARING OR NOTICE.

6. This notice is subject to the fuller terms and conditions of the Sale Motion, the Bidding Procedures Order, and the Bidding Procedures, which shall control in the event of any conflict and Alliance encourages parties in interest to review such documents in their entirety. Parties interested in receiving more information regarding the sale of the Purchased Assets or obtaining a copy of any of the foregoing documents may make a written request to counsel for the Debtors, Bond Schoeneck & King, PLLC, One Lincoln Center, Syracuse, New York, 13202, Attn: Stephen A. Donato, Esq. and Camille W. Hill, Esq. In addition, copies of the Sale Motion, the Bidding Procedures Order, the Bidding Procedures and this Notice can be found on the Bankruptcy Court's electronic case management website, <http://ecf.nynb.uscourts.gov> and are on file with the Clerk of the Bankruptcy Court.

Dated: January 16, 2019
Syracuse, New York

BOND, SCHOENECK & KING, PLLC

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